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Capital: Pristina Foreign Direct Investment: \$50,000,000*

GDP per capita (PPP): \$2,300 (2000 est.)* Inflation: 42% (1999 est.)*

Population: 1,850,000 (approx) Unemployment: 30% (2000 est.)*

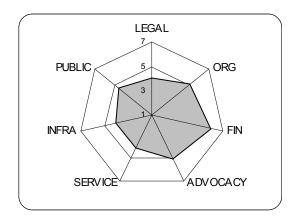
(*) Data is for the entire Federal Republic of Yugoslavia

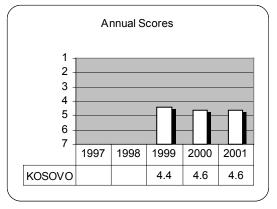
OVERALL RATING: 4.6

In the third year after the war, Kosovar civil society is still trying to reformulate its role from a mainly service delivery function to becoming an agent of reform, influencing the decision-making mechanisms of the United Nations Mission in Kosovo (UNMIK) and its Kosovar counterparts.

There are currently more than 800 local NGOs registered in Kosovo. However, it is estimated that less than 100 of these are truly active. There is a substantial gap between the few well-established and capable organizations that mostly began operations before the war, and the large number of underdeveloped organizations that have formed since the war, often in response to the availability of donor funding.

NGOs in Kosovo benefit from a strong history of voluntary service provision, an aspect that remains a strength of the sector to this day. The sector's public image is suffering, however, because of the large number of donor funding inspired NGOs.





LEGAL ENVIRONMENT: 4.0

Kosovo has a very favorable registration law. Since November 1999, an average of 380 NGOs, associations and foundations has been registered annually.

The law protects NGOs from unwanted state control, but concerns have been expressed as to the independence of the

NGO registration office. At present it falls under UNMIK's Public Services Department, which is not providing enough funds for this office to operate without constraints. The NGO Registration Office is understaffed and under-financed. The NGO Registration Office is inefficient, slow in providing service, and unable to

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communicate with NGOs in a timely manner. This lack of attention has allowed some NGOs to abuse their public benefit status, which has substantially damaged the public image of the NGO sector in general.

There is very little understanding of the NGO law among both NGOs and Kosovar lawyers. There is only one NGO that provides legal advice in the capital city and none in secondary cities.

ORGANIZATIONAL CAPACITY: 5.0

Out of 800 registered organizations there are only a small number of experienced and sophisticated NGOs. A few NGOs have been operating since before the conflict and a substantial number have formed since, in part to meet the needs of the large community of international development and relief agencies operating in Kosovo. There is a wide gap in organizational capacity between these two groups.

Very few NGOs have clearly defined missions, paid professional staff members, boards of directors and volunteer networks. Most NGOs are comprised of small groups of people, surviving on a project-by-project basis, without consistent links to constituencies. The mission statement of most NGOs is usually broad, to allow for the possibility of a range of donor funding.

Over the past decade, voluntarism was a common feature in Kosovar society, as it was the means by which the Albanian community provided itself with social, cultural, and basic community services. However, the volunteer rate started to fall with the end of the war in 1999. Presently the level of voluntarism has dropped to almost zero.

The internal management structure of NGOs remains weak. Most NGOs remain largely "one-person-show" organizations. In most cases, the board of directors is little more than a nominal body without any function. Leading NGOs manage to keep a small core of paid staff, but continue to face difficulties in recruiting volunteers.

FINANCIAL VIABILITY: 6.0

The financial challenges facing Kosovar NGOs have increased during the past year, as a result of cutbacks from international donor sources and the uncertain economic climate. NGOs remain dependent on foreign donor funding. With Kosovo's weak economy and with the unemployment rate currently estimated at

70%, it is increasingly difficult for NGOs to pursue indigenous funding. NGOs do not tend to raise funds locally. There are no local sources of philanthropy. Voluntarism has declines precipitously. Most NGOs lack sound financial management systems to track the use of their funds.

ADVOCACY: 5.0

Representatives of Kosovar NGOs have participated in the Kosovo Transitional

Council (KTC). At the local level, NGOs have the right to participate in the meet

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ings of the Municipal Assembly, but few exercise that privilege. Despite the fact that direct lines of communication between NGOs and these bodies have been mandated, NGOs have been largely unsuccessful in influencing policymaking. Most commonly, policymaking powers have been reserved for UNMIK, which is mostly unaccountable and unresponsive to the needs of the citizens, and which does not operate in a transparent manner.

There have been a few cases of NGO public education and advocacy campaigns, particularly around the issues of personal safety/crime, corruption, ethnic violence and social security, but their effectiveness did not extend beyond raising awareness. Typical of this type of awareness campaign was "BOLL MA" (ENOUGH), launched by a youth NGO

called "The Forum".

The Interim Constitutional Framework of Kosovo is the best example of NGOs' unsuccessful campaigning efforts. UNMIK wrote the Framework with almost no public participation or Kosovar input. There were a few attempts on the part of NGOs to open up this process, but they were not successful.

With the exception of the few NGOs that are very sophisticated and represent important players in advancing the political process, most NGOs do not understand the notion of advocacy and thus have no clear understanding of its importance. Likewise, local and central governments are apathetic towards NGOs, mostly seeing no threat from their activities.

SERVICE PROVISION: 4.0

The strongest service providing NGOs are those that were functioning before the war. The Council for Defense of Human Rights and Freedoms, Mother Theresa Society, and the Center for the Protection of Women and Children continue to provide basic social services such as health, education, relief, housing, etc.

Goods and services of other NGOs are sometimes donor-driven, but mostly reflect the needs and priorities of their constituents and communities. These goods and services go beyond basic needs and are provided to a constituency broader than the NGOs' own membership. Some products, such as publications, workshops, or expert analyses, are marketed to a limited number of individuals.

The UNMIK-led government generally regards service provision NGOs as competition instead of recognizing their value and work. There are no established procedures for government structures to provide grants or contracts to NGOs to deliver services.

INFRASTRUCTURE: 4.0

This year the Organization for Security and Cooperation in Europe (OSCE) is heavily engaged in handing off the management of its NGO Resource Centers to local control. The OSCE established these centers in 1999. Five of the nine

established NGO resource centers have survived. This process of "Kosovarization" is being carried out by handing the centers over to local NGOs. The process of selecting local NGOs to take over the centers' management was competitive

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and transparent.

The handing over of the centers to Kosovar NGOs does not necessarily mean that these centers will become financially viable in the long run. The OSCE will continue to provide funding for rent and utilities for a short period, but is looking for other donors to step in to cover these expenses in the near future. The services offered by NGO resource centers are largely limited to access to space for meetings, office equipment and modest libraries. There are few Kosovar administered organizations that provide grants to local NGOs. These organizations rely on international donors for their funds, but there are no NGOs capable of providing management training. Basic NGO management training is not available either in the capital or in the secondary cities. Training materials are hard to find in local languages.

Immediately following the conflict, OSCE facilitated the creation of a Kosovo-wide NGO Assembly. Unfortunately, the Assembly proved to be premature and never received any buy-in or support from local civil society. After the failure of the NGO Assembly, no central coordination body has formed to that represent the Kosovo NGO community as a sector. However, local NGOs outside the capital have had some success at building structures for sharing information and promoting cooperation within their sector and among businesses and government agencies.

PUBLIC IMAGE: 4.5

In the last couple of years public perception of NGOs has declined. The media at the local and national level do not sufficiently cover the work of NGOs and do not provide positive analyses of the role that NGOs play in civil society. Very few NGOs are able to publicize their activities or promote their public image.

Some NGOs have been discovered abusing their public benefit status to import goods for commercial purposes

without paying customs and other taxes. This has had a negative effect on the sector's image.

Although the public does not completely understand the notion of NGOs, the perception of NGOs remains more positive than negative. In most cases, the public is supportive on the activities of NGOs. The business sector and the local and central government have a primarily apathetic view on NGOs.